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SENATE BILL 5094

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Sheldon, Swecker, Hatfield, Hargrove, Honeyford, Haugen, Schoesler, Clements and Rasmussen

Read first time 01/10/2007.      Referred to Committee on Economic Development, Trade & Management.

1            AN ACT Relating to the sales and use tax for public facilities in  
2 counties; and amending RCW 82.14.370.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 82.14.370 and 2004 c 130 s 2 are each amended to read  
5 as follows:

6            (1) The legislative authority of a (~~rural~~) county may impose a  
7 sales and use tax in accordance with the terms of this chapter. The  
8 tax is in addition to other taxes authorized by law and shall be  
9 collected from those persons who are taxable by the state under  
10 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
11 within the county. For a rural county, the rate of tax shall not  
12 exceed ((0.08)) 1.50 percent of the selling price in the case of a  
13 sales tax or value of the article used in the case of a use tax((7  
14 except that for rural counties with population densities between sixty  
15 and one hundred persons per square mile, the rate shall not exceed 0.04  
16 percent before January 1, 2000)). For an urban county, the rate of tax

17 shall not exceed a rate that generates proceeds of one million dollars  
18 annually.

1 (2) The tax imposed under subsection (1) of this section shall be  
2 deducted from the amount of tax otherwise required to be collected or  
3 paid over to the department of revenue under chapter 82.08 or 82.12  
4 RCW. The department of revenue shall perform the collection of such  
5 taxes on behalf of the county at no cost to the county.

6 (3)(a) Moneys collected under this section shall only be used to  
7 finance public facilities serving economic development purposes in  
8 rural counties. The public facility must be listed as an item in the  
9 officially adopted county overall economic development plan, or the  
10 economic development section of the county's comprehensive plan, or the  
11 comprehensive plan of a city or town located within the county for  
12 those counties planning under RCW 36.70A.040. For those counties that  
13 do not have an adopted overall economic development plan and do not  
14 plan under the growth management act, the public facility must be  
15 listed in the county's capital facilities plan or the capital  
16 facilities plan of a city or town located within the county.

17 (b) In implementing this section, the county shall consult with  
18 cities, towns, and port districts located within the county and the  
19 associate development organization serving the county to ensure that  
20 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
21 requirements of (a) of this subsection. Each county collecting money  
22 under this section shall report, as follows, to the office of the state  
23 auditor, (~~(no later than October 1st)~~) within one hundred fifty days  
24 after the close of each fiscal year(~~((τ))~~): (i) A list of new projects  
25 ((from)) begun during the (~~((prior))~~) fiscal year, showing that the  
26 county has used the funds for those projects consistent with the goals  
27 of chapter 130, Laws of 2004 and the requirements of (a) of this  
28 subsection; and (ii) expenditures during the fiscal year on projects  
29 begun in a previous year. Any projects financed prior to June 10,  
30 2004, from the proceeds of obligations to which the tax imposed under  
31 subsection (1) of this section has been pledged shall not be deemed to  
32 be new projects under this subsection.

33 (c) For the purposes of this section(~~((τ))~~):

34 (i) "Public facilities" means bridges, roads, domestic and  
35 industrial water facilities, sanitary sewer facilities, earth  
36 stabilization, storm sewer facilities, railroad, electricity, natural  
37 gas, buildings, structures, telecommunications infrastructure,

1 transportation infrastructure, or commercial infrastructure, and port  
2 facilities in the state of Washington; and

3 (ii) "Economic development purposes" means those purposes which  
4 facilitate the creation or retention of businesses and jobs in a  
5 county.

6 (4) No tax may be collected under this section before July 1, 1998.  
7 No tax may be collected under this section by a county more than  
8 twenty-five years after the date that a tax is first imposed under this  
9 section.

10 (5) For purposes of this section(~~(7)~~):

11 (a) "Rural county" means a county with a population density of less  
12 than one hundred persons per square mile or a county smaller than two  
13 hundred twenty-five square miles as determined by the office of  
14 financial management and published each year by the department for the  
15 period July 1st to June 30th; and

16 (b) "Urban county" means a county that does not meet the definition  
17 of a rural county under (a) of this subsection.

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